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**TENNESSEE DEPARTMENT OF REVENUE PROVIDES ANALYSIS OF  
MARCH 2003 COLLECTIONS**

NASHVILLE, Tenn. — March 2003 collections of the Tennessee Department of Revenue were \$633,607,337, an increase of \$74,723,522 or 13.4 percent over March 2002 collections.

Sales and use tax collections were \$402,418,351, up \$53,102,920 or 15.2 percent over March 2002 collections. Tax rate increases accounted for more than 100 percent of the increased collections, with \$51,039,237 due to the 1 percent tax increase and \$3,477,658 due to the single article tax. Including tax changes from the 2002 session, the retail trade group was up 16.0 percent over collections from last year. Contributing to the rise were auto dealers and service stations (up 15.2 percent), general merchandise stores (up 17.4 percent), miscellaneous retail stores (up 23.6 percent), and eating and drinking places (up 21.3 percent). Sales tax receipts from the services group were up 23.3 percent over collections in March 2002, with business services (up 31.7 percent), auto repair, services and parking (up 21.0 percent), and hotels and lodging places (up 24.1 percent) accounting for the greatest portion of the rise. The non-retail, non-services group was up 19.1 percent, led by manufacturing (up 48.8 percent), electric, gas and sanitary services (up 31.3 percent), and communications (up 9.7 percent).

Franchise and excise tax collections were \$85,215,061, up \$9,232,629 or 12.2 percent when compared to March 2002 collections. Separately, the franchise tax collections were \$32,084,704, up \$1,343,961 or 4.4 percent over last year. Excise tax collections were \$53,130,356, an increase of \$7,888,668 or 17.4 percent over March 2002 collections.

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Collections from motor vehicle registrations were \$30,190,479, up \$9,124,436 or 43.3 percent over last year's collections.

Tobacco tax collections were \$9,249,464, surpassing last year's collections by \$3,514,872 or 61.3 percent.

Income tax collections climbed \$1,616,405 or 23.9 percent over last year's totals to \$8,379,515.

Privilege tax collections were \$13,689,258, an increase of \$1,511,863 or 12.4 percent over collections from the same period last year.

Business tax collections were \$2,123,464, up \$1,428,627 or 205.6 percent over last year.

Motor vehicle fuel tax collections fell \$3,263,354 or 24.5 percent from March 2002 levels to a total of \$10,083,488.

Gasoline tax collections were \$38,438,259 in March 2003, down \$1,199,465 or 3.0 percent from March 2002 collections.

The Department of Revenue collects approximately 92 percent of total state tax revenue. During the 2001-2002 fiscal year, the department collected \$7.4 billion in state taxes and fees. In addition to collecting state taxes, more than \$1.4 billion in local sales tax was collected by the department for local governments during the 2001-2002 fiscal year. In addition to collecting taxes, the department enforces the revenue laws fairly and impartially in an effort to encourage voluntary taxpayer compliance. The department also apportions revenue collections for distribution to the various state funds and local units of government.

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